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Canada Manpower Programs

JOB CREATION



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MANPOWER PROGRAMS INFORMATION



"JOB CREATION"

SUMMARY HIGHLIGHTS

DEPARTMENT OF MANPOWER AND IMMIGRATION
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I. PHILOSOPHY AND CONCEPTS

There are many ways in which Canada creates jobs for its people: fiscal and monetary policies, tariff policies, regional development programs, industrial incentives programs, and the new, direct job creation activities of the Department of Manpower and Immigration which are reflected in programs like Opportunities for Youth, the Local Initiatives Program, and the Local Employment Assistance Program. This presentation deals only with the latter direct job creation activities of the department.

The essence of our direct job creation activities is the creation of employment in Canada where for a variety of socio-economic reasons jobs are not available.

Canada Manpower's direct job creation programs emphasize people having a say in determining what work activities are useful in their communities rather than government officials deciding what is worthwhile and what kinds of work people will do. The department's job creation programs allow people to participate selectively in projects that offer personal fulfillment while concurrently meeting a public need that may not otherwise have been met; they also provide mechanisms which are sensitive to the tensions of many segments of Canadian society.

The beauty of the job creation mechanism is its flexibility. Given that, and the awareness/sensitivity of the people who administer it, necessary changes can be quickly made in the application of the programs to meet the parallel changes and needs of Canadian society. It is in this spirit that the department's job creation programs have sought and introduced innovative interventions in the Canadian labour market.

Participants in projects funded under the programs share in the evolution and management of their projects. This participation extends beyond the internal affairs of projects to the involvement of the community in the development, selection and support of projects.

The interaction of participants with each other and with the community is a dynamic source of adjustment to our changing society.

As the nature of individuals' employment problems varies with the communities in which they live, it is vital that experimentation with different forms of community involvement continue.

The seasonal, structural and cyclical nature of employment and unemployment demands flexible and different programs:

- a summer student employment and participation program to accommodate large influxes of students into the labour market in the summer months;
- a winter employment scheme to offset high unemployment caused by winter slowdown; and,
- a local employment assistance program to raise the level of workskills of the socially disadvantaged and chronically unemployed.

Going beyond the usefulness of an individual's work to himself, there is the usefulness of that work to the community, or to society. The concepts of self-worth, job satisfaction, and community benefit underlie all the department's job creation programs.

The three components of job creation are the Opportunities for Youth Program (OFY), the Local Initiatives Program (L.I.P.), and the Local Employment Assistance Program (L.E.A.P.). For comparison of these programs for 1973-1974 and 1974-1975 in terms of funds committed, number of projects approved and number of jobs created see Appendix 1.

II OPPORTUNITIES FOR YOUTH PROGRAM

The objectives of the program are:

- to create summer jobs which are meaningful to students and of benefit to the community;
- to provide students with the resources to implement and test some of their ideas and aspirations;
- to develop through experience students' practical abilities and organizational skills; and,
- to help students accept responsibility in contributing to the social fabric of their communities and Canadian society.

Description

In the late 1960s and in 1970, the federal government was faced with soaring student summer unemployment. In fact, the 1970 student unemployment rate of 17 per cent was double the 1969 figure, despite a variety of government measures to overcome the problem.

Federal initiative was taken in the form of the innovative OFY program launched in March, 1971. Insofar as it affirmed the ability of young people to create and accept responsibility for implementing worthwhile community projects, OFY was conceptually a marked departure from previous forms of student employment.

Through OFY the federal government invites young Canadians to work together, develop project proposals, submit them to the government for approval and implement them with federal funds. OFY, then, is a tool for developing in Canadian youth the kinds of organizational and

social skills and individual and group responsibility needed for their project and for the future.

OFY allows students to search the depths of their ingenuity-- the types of project ideas that can be submitted are limitless.

An example: Six students in Vancouver were granted \$9,152 for the project "Audient-Aid". Hard-of-hearing people helped others with similar hearing problems to adjust to the working world. Activities included providing information on services available, counselling and publicizing problems of those with hearing difficulties.

From the department's perspective, preference is given to project submissions that attempt to find new solutions to problems or that create new approaches to community service which do not duplicate existing programs.

Project selection is made after extensive consultation with civic officials, Members of Parliament, provincial government officials, agency personnel and knowledgeable local citizens.

OFY participants are encouraged to use the experience and resources available in the community. In fact 90 per cent of OFY people we have surveyed were aware of this, and 60 per cent said they benefited from local expertise.

This sharing of resources illustrates the flexibility of the program and in large measure contributes to its success. Consistent with this sharing is the fact that projects are independently carried out by the participants who among themselves have equal status vis-à-vis each other and as well accept full responsibility and

accountability for the project's operation, success or failure. OFY officers and auditors from the Department of Supply and Services make on-site reviews of projects to ensure that the interest of all parties and the intent of the activity are "on track".

The continuing potential of the OFY program lies in its ability to provide an avenue through which successive groups of young people -- more than 120,000 individuals to date -- can make use of this federal resource to discover and develop their own potential and that of their communities.

OFY--1974-75

The department analyzed 8,703 OFY project submissions in 1974-75; approved 3,876 projects which created 27,525 jobs with a total commitment of \$26,335,000. The breakdown of funds by province was as follows: Newfoundland - \$1,010,775; Nova Scotia - \$1,134,828; Prince Edward Island - \$189,202; New Brunswick - \$949,564; Quebec - \$9,315,236 Ontario - \$7,554,313; Manitoba - \$1,196,404; Alberta - \$1,698,757; Saskatchewan - \$1,074,473; Northwest Territories \$144,864; British Columbia - \$2,047,959; Yukon - \$18,603.

In 1974 funds were allocated to the department's 33 Management Areas - each comprised of several Canada Manpower Centres.

One-third of the funds were allocated to Management Areas on the basis of the distribution of the population 15 to 25 years of age in the areas, as revealed by the 1971 census. The remaining two-thirds were distributed in accordance with a prescribed formula which took into account, by area, the number of jobs of a type normally available to young people and the youth population.

The basic criteria for approval were youth involvement in planning and implementation, innovation in the services provided, amount of community benefit and support, number of jobs created and the budget involved.

Each year the number of projects proposed has far exceeded the number that could be supported with available funds. Selection was based on whether the project responded to community needs in the fields of social service, information, recreation, culture or artistry, environment, research or business. The breakdown is as illustrated.

PROJECT TYPES OR ACTIVITIES 1974

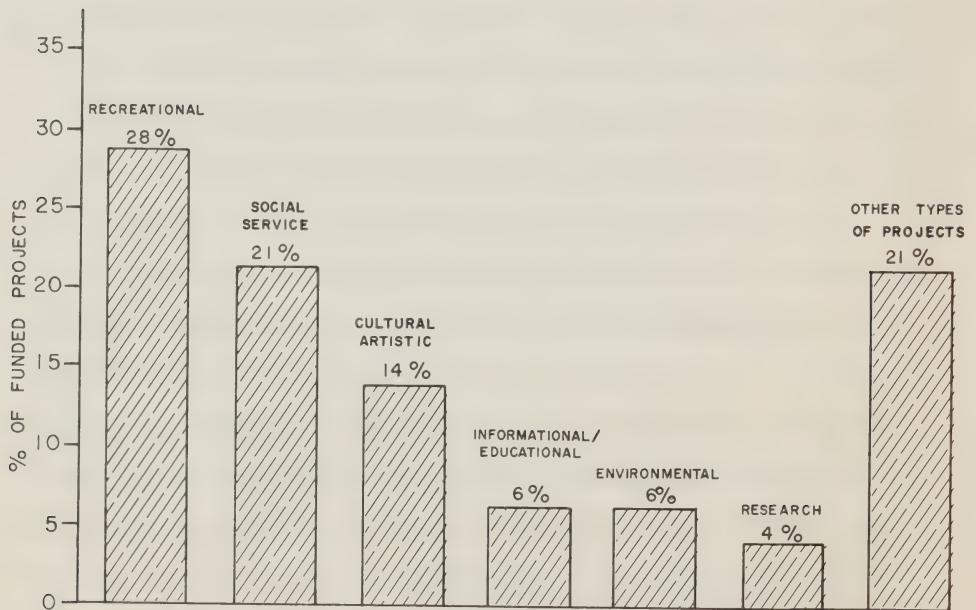


FIGURE I

The bulk of the 1974 OFY population was divided fairly equally among secondary, community college/CEGEP, and university students, with non-students making up 8.5 per cent of the year's participants.

STRENGTHS

Community Contact

A look at those groups who benefited from the OFY program clearly shows that the great majority of projects were designed to provide useful community services. Forty-three per cent of all projects were aimed at children, students and all youth; 32 per cent were for the community as a whole; eight per cent for the handicapped, and seven per cent were aimed at the senior citizen. A survey of participants indicated that 99 per cent felt their projects were successful to some degree in achieving their stated goal of providing a useful community service.

A distinctive feature of OFY is that projects have closely co-operated with both the government and the private sector. One in three projects, regardless of the type of activity, established contact with federal or provincial government departments, social service agencies, municipal governments, citizen's groups or clubs, commercial enterprises, merchants or the media. Over 50 per cent of the projects reported contact with schools, universities and private citizens. Close to 24 per cent of all projects reported having established contacts with all the aforementioned groups during the operation of their project. Through this close liaison with both government and community, the participants felt that they not only gained useful experience and understanding but also that the project itself benefited. The benefits cited included increased public awareness of

the project from contact with the media, increased credibility of the project, and an increase in funding from private sector sources.

Social and Career Development

The question of whether the OFY program promotes the personal, social and career development of its participants is hard to answer; it involves dealing with long-term objectives. However, analysis of the 1974 program indicates a degree of success in this regard.

The two main reasons cited by participants for choosing OFY work are "the interesting nature of the work," and the fact that it "benefits the community." Participants also mentioned that the work "let me develop as a person," "is career oriented," "offers more freedom," and "leads to other employment in the future." In the absence of OFY work most said they would have looked for other paid work. Only two per cent said they would have participated in unpaid volunteer work in the community.

When asked to what degree the project activities related to their own field of study, about three-quarters of the 500 workers surveyed felt that it was partly or fully related. A higher degree of relevancy was noted among participants who were at the post-secondary level of education, but it is interesting to note that even at the secondary school level students perceived job relevance and personal satisfaction in their projects.

Analysis of whether participants felt that their particular job in the project could be related to future career plans showed that almost two-thirds thought of their project job as leading to a career, and one-third did not. Of those who had been on an OFY project

before, -- 27 per cent of those interviewed -- 82 per cent reported that the OFY experience had contributed in varying degrees to their present educational and career plans.

RELATEDNESS OF OFY 1974 EXPERIENCE TO FIELD OF STUDY

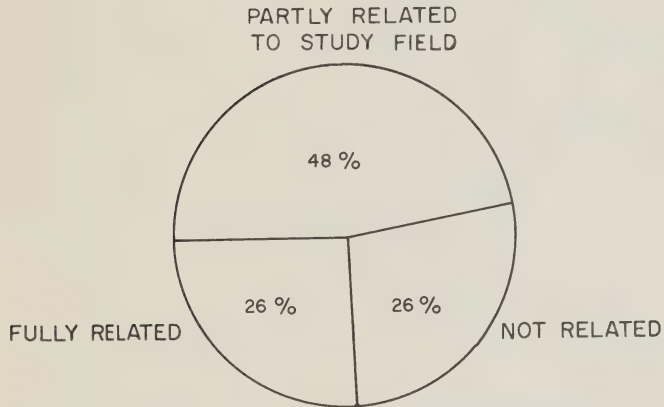


FIGURE 2

It appears, therefore, that the OFY program provides ample opportunity for its participants to acquire or demonstrate various skills and makes an effective contribution to the participants' long-term educational and career plans.

Job satisfaction was very high among all participants. Most expressed a great degree of commitment to their project activities and were well satisfied with the results of their own and other's efforts as the following diagram illustrates.

OVER-ALL SATISFACTION WITH PROJECT PARTICIPATION - 1974

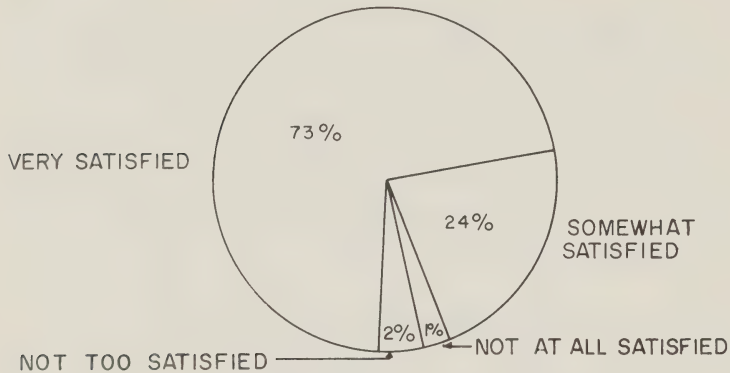


FIGURE 3

Equality

With regard to the levelling of social and economic inequalities, especially those expressed by minority groups and women, the 1974 program was by far the most successful. Compared with previous

years, the ratio of female to male participants was greater, as were the number of rural versus urban projects. The distribution of participants by sex and location is illustrated in the following graphs.

1974 PARTICIPANTS BY SEX

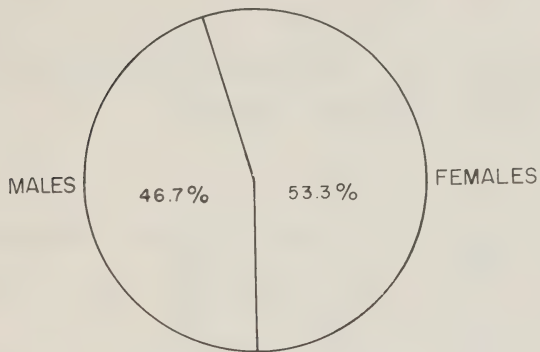


FIGURE 4

PERCENTAGE OF RURAL/URBAN PROJECTS-1974

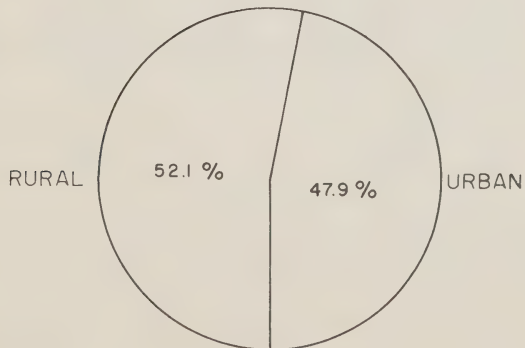


FIGURE 5

One of the targets of OFY-that of providing employment opportunities to lower income groups and to those most in need of financial assistance to continue their studies-varied by region. When the total income of OFY participants and their families was compared to Canadians (i.e., 1972) the following distribution of family income emerged.

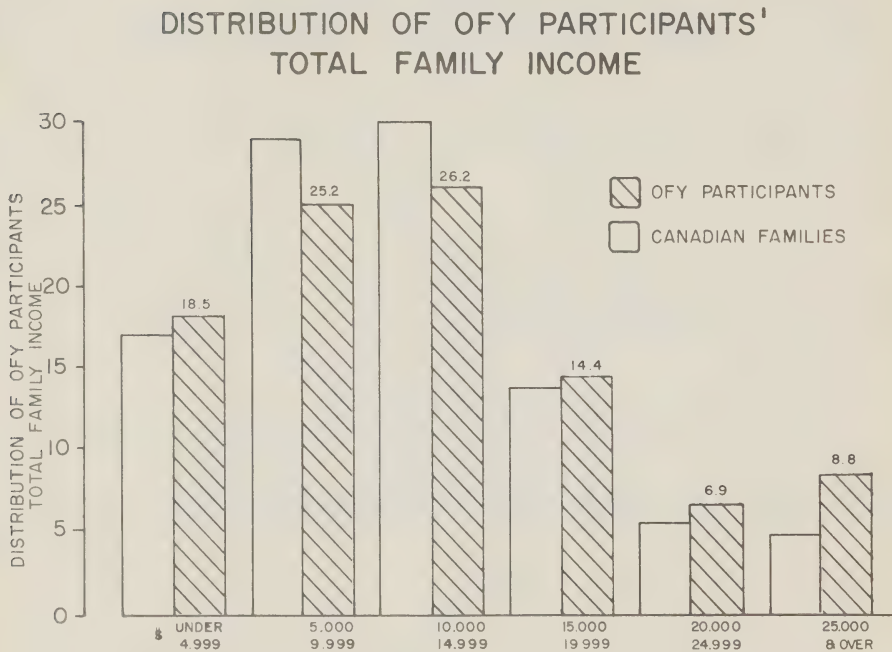


FIGURE 6

Fifty-one point four per cent came from the \$5,000 to \$15,000 income group, 18.5 per cent came from the less than \$5,000 income group and 30.1 per cent came from the \$15,000 and over income family group.

Financial Support for Education

All students are definitely not equal in terms of financial needs. The greatest disparity between expected educational costs and financial assets was displayed by university students. The higher educational costs of post-secondary students clearly affects their ability to return to school if they are unable to find suitable summer employment. This is demonstrated in the following diagram which indicates the problems of post-secondary students unable to make money during the summer.

**ABILITY TO RETURN TO SCHOOL
IF UNEMPLOYED**

DURING SUMMER

*ELEMENTARY OR
SECONDARY STUDENTS*

*POST-SECONDARY / NON-
UNIVERSITY STUDENTS*

*UNIVERSITY / TEACHERS
COLLEGE STUDENTS*

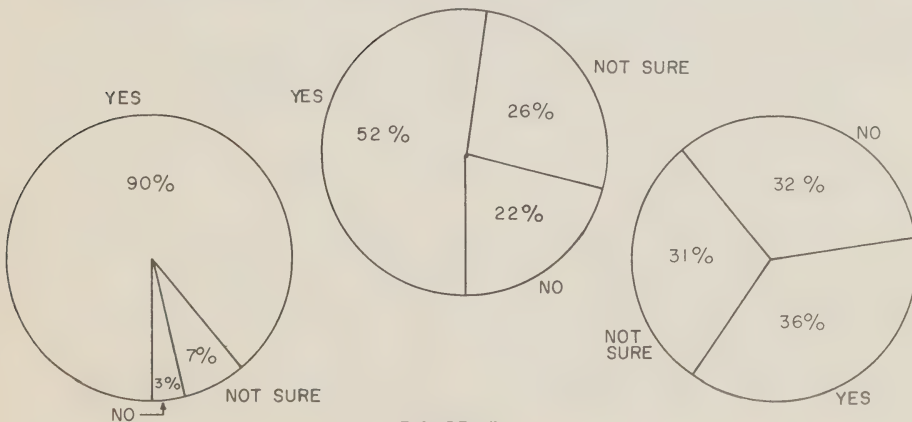


FIGURE 7

In 1974, as in the previous year, secondary students received salaries of up to \$70 per week and post-secondary students \$90 per week. The \$20-a-week higher payment to all post-secondary students did not appear to be sufficient, especially for those planning to attend college or university. As a result, the 1975 OFY program has increased the salary levels and the proportionate difference between post-secondary and secondary - \$110 weekly and \$80 respectively.

While this may not enable students to save enough to cover all their costs of returning to university, it does reduce the economic barriers. Without the job, as can be seen from the survey findings noted above, many would surely not have been able to return. It is the belief of program officials that to increase further the level of payment would be at the cost of reducing the number of participants who can avail themselves of this source of financial assistance.

Cheques issued locally to participants through regional offices helped speed up delivery to projects in the more remote areas. The average duration of project activity was about 10 weeks.

Limitations and Criticisms

Any job creation program, by its nature, is subject to public scrutiny as it well should be. Some individuals and groups offer valid, helpful critiques; others demonstrate a bias which may or may not be supportable. Since Manpower is a people-oriented organization, it follows that there will be--and are--limitations and weaknesses in the delivery of the services it provides. Often, however, there may

be legitimate restraints which when identified respond to the type of criticism that begins with "Why don't you do this?...or that?"

Some OFY participants have criticized the late announcement of forthcoming programs. We advanced the 1975 announcement by 30 days. To improve on that would be virtually impossible because it is necessary to first develop estimates of student unemployment upon which allocation of funds rests.

It is occasionally argued that the program, by offering self-defined jobs to youth, is destroying the work ethic. Recent studies have shown, however, that the young are still very much willing to work, although they definitely have high expectations as to the satisfaction and contribution any job might make to themselves and the community.

A further criticism of the program has come from employers who allege that OFY draws young people away from their pool of seasonal labour. Since funds are allocated primarily to areas of low employment opportunities this criticism is unfounded. The reasons for any continuing lack of labour availability may well lie in the type and conditions of such employment.

It has been frequently charged that OFY projects have been operating in isolation from the community surrounding them. That this is not generally the case can be seen from the findings noted earlier. In general, projects seek to co-operate with relevant related agencies- public and private. However such a relationship can be detrimental or beneficial to accomplishments of project goals, depending whether the agency's stance is supportive or paternalistic. In any event, it

is part of the participants' experience and learning process to decide how much co-operation should be sought. The OFY contract gives young people a basis from which to start, an advantage which most youth do not have in their communities.

One of the most frequent criticisms of OFY projects from the participants is the inability to achieve a long-term goal in the short space of a summer project. It is claimed that the objectives of helping to promote the social and career development of participants and reducing the social and economic inequalities experienced by some groups often require long-term projects. OFY is neither designed nor well suited to achieve these goals. For example, the development of a project in one area may require many months of preparation before the group will be able to be mobilized towards acceptance of responsibility for attaining project goals. On the other hand, students in another area, experienced in organizational matters, may only need the short space of a month or less to develop a project complete with goals and operational needs.

The program is generally directed to students and not the youth that remain unemployed during the winter months. While it appears that the Local Initiatives Program does employ some youths, it still leaves many in search of work. Youth remain an under-utilized sector of the work force.

While these are indeed limitations, they are seen to be so in terms of the complexity of the situation with which we are confronted today. Thus these limitations should be viewed as continuing problems, and OFY, as presently constituted is not, necessarily, the best mechanism to deal with them.

SUMMARY

It is not possible for one program to be all things to all people.

In summation it can be said that seen from the foregoing analysis the Opportunities for Youth program has proved to be an effective means of providing employment for students during the summer months, particularly in areas of limited job availability.

Organizationally OFY has developed a capacity to deliver its program, with minimal time spent in gearing up, and at comparatively low overhead operating costs.

The distinctive approach of the program results in the creation of employment which, as well as being of social benefit to the community in which the activity occurs, meets a particular need of young people in the area of development of social and practical skills as well as career assessment and planning.

III LOCAL INITIATIVES PROGRAM

In the fall of 1971, the federal government, faced with an unemployment rate of more than six per cent, introduced the Local Initiatives Program (L.I.P.) under the Department of Manpower and Immigration. The experience with the delivery of the Opportunities for Youth program provided the basic model for operating.

The Local Initiatives Program invites individuals, partnerships, groups, organizations, or municipalities to submit an application on which the nature of the work, the community need, and the project costs are outlined.

The objectives of the Local Initiatives Program are:

- to create employment that will reduce seasonal, regional and specific area unemployment;
- as the means of reducing unemployment, to enhance the quality of communities through the provision of innovative and imaginative projects which will supply facilities and services previously non-existent or will utilize resources (including human resources) previously untapped.

Activities have included such things as day-care centres, renovation projects for senior citizens who are unable to fix up their homes, the construction of an outdoor skating rink, and language aid for new citizens.

The only limitation on the type of projects is that they are not to be profit-making; any revenues are charged against project expenses. Projects can, however, be directed towards becoming self-supporting either by revenues or contributions from other sources.

Projects must create employment for unemployed people who otherwise would not be able to find jobs. All projects must create not less than 15 man-months of employment.

Proposals are acceptable only if workers with the skills required for the project are available among the unemployed in the community where the project is to be carried out.

Project sponsors must hire all employees through Canada Man-power Centres with priority given to suitable applicants receiving Unemployment Insurance benefits or social assistance. A sponsor must hire people who are citizens or landed immigrants, but they must not be members of his immediate family.

The department pays sponsors or project managers up to \$140 per week; employee/participants receive the going local wage, not to exceed an average of \$115 per week. Additionally we contribute \$22 to cover administrative costs and employer contributions (e.g. UIC payments) for each individual work week. The current maximum federal contribution of \$75,000 is substantially less than the \$200,000 maximum in 1972-73 and the \$500,000 maximum in 1971-72.

Allocation of Funds-1974-75

The allocation of limited funds for L.I.P. has as its primary objective the meeting of the needs of jobless persons in those part of Canada where unemployment is most severe.

To achieve a just and equitable formula, the department:

-- examined Statistics Canada estimates of labor force participation and unemployment for 41 economic regions in the country and for the constituencies within those regions, then added estimates from a similar study covering native Indians on reserves; and,

-- made an independent estimate of clients registered for work at Canada Manpower Centres.

The final unemployment figure was obtained by combining these two estimates.

Funds were then allocated for 1974-75 on the basis of the number of unemployed beyond a four per cent base rate of unemployment, subject to a minimum allocation of \$75,000 in each constituency.

The effect of distributing L.I.P. funds equitably throughout the country was to provide approximately \$262 per eligible unemployed person. Examples of funding:

If a constituency has an estimated winter unemployment of 2309 people which is approximately 10 per cent of a labour force of 23,156 persons, the base rate of four per cent is exceeded by 1,383 persons or six per cent. This number multiplied by \$261.95, the amount available per eligible unemployed, yields an allocation of \$362,000, rounded to the nearest \$1,000.

Another constituency with an estimated unemployment rate of 3.5 per cent, 0.5 per cent less than the four per cent base rate, would receive the minimum allocation of \$75,000 because there can be pockets of unemployment in certain affluent areas.

The total L.I.P. funds for 1974-75 available for provincial distribution is \$84,356,100 distributed as follows: Newfoundland, \$8,446,100; Nova Scotia \$3,924,000; Prince Edward Island, \$1,109,600; New Brunswick, \$5,701,100; Quebec, \$36,673,100; Ontario, \$12,489,600; Manitoba, \$1,797,000; Saskatchewan, \$1,636,000; Alberta, \$1,958,000; Northwest Territories, \$511,000; British Columbia, \$9,825,600; Yukon, \$285,000.

PERCENTAGE OF PROJECTS BY ACTIVITY AND SPONSOR 1973-74

ACTIVITY	SPONSOR										
	LOCAL GOVERNMENT BODIES	OTHER GOVERNMENT AGENCIES	INDIAN & ESKIMO GROUPS	CULTURAL GROUPS	RELIGIOUS GROUPS	SERVICE & WELFARE ORGANIZATIONS	BUSINESS & LABOUR ORGANIZATIONS	CITIZENS COMMITTEES	RECREATION & LEISURE ORGANIZATIONS	INDIVIDUALS	TOTAL
BUILDING CONSTRUCTION	3.5	1.3	3.2	0.9	2.3	2.3	0.4	2.8	3.5	1.6	21.8
NON-BUILDING CONSTRUCTION	5.7	0.9	1.3	0.2	0.2	0.4	0.3	1.5	2.6	2.4	15.5
LANDS, PARKS & FORESTRY	3.1	0.8	0.8	0.4	0.1	0.2	0.3	0.4	1.2	1.2	8.5
ARTISTIC & CULTURAL	0.1	0.2	0.3	1.9	0.0	0.2	0.1	0.2	0.2	1.7	4.9
EDUCATION	0.2	1.2	0.2	0.5	0.2	2.3	0.3	0.7	0.4	2.5	8.5
INFORMATION	0.1	0.1	0.1	0.2	0.0	0.3	0.2	0.9	0.0	0.9	2.8
SOCIAL SERVICES	1.0	0.7	1.5	0.7	0.7	6.4	1.1	4.4	1.1	10.7	28.3
HEALTH SERVICES	0.0	0.2	0.0	0.0	0.0	0.5	0.1	0.1	0.0	0.2	1.1
SPORTS & RECREATION	0.7	0.4	0.1	0.2	0.0	0.1	0.2	0.4	1.9	0.9	4.9
RESEARCH	0.6	0.3	0.0	0.6	0.0	0.4	0.3	0.4	0.2	0.9	3.7
TOTAL	15.0	6.1	7.5	5.6	3.5	13.1	3.3	11.8	11.2	23.0	100.0

FIGURE 8

Activities and Sponsors

When looking at project activities and sponsors, data on the 1973-74 program shows that individuals (23 per cent) are the most frequent sponsor, followed by local government bodies (15 per cent) service and welfare organizations (13.1 per cent) citizen's committees

(11.8 per cent) and recreation organizations (11.2 per cent). Social services (28.3 per cent) are the most frequent type of project, followed by building construction (21.8 per cent) and non-building construction (15.5 per cent).

STRENGTHS

Initiative and Imagination

Initiative and imagination of project sponsors make the Local Initiatives Program a success. The people applying for grants and operating the program brought an energetic response to the winter unemployment problem of 1971-72. In each succeeding year, requests for funds far exceeded the available funds.

Community groups and political leaders have come together to deal with specific community needs.

The definition of community needs by non-established groups pointed out to communities and the federal government that the priorities set by professionals were not necessarily the same as those of the grass-roots sector.

New services have been started, enhancing the quality of life for many Canadians. For example, a tremendous number of day-care centres created as a result of L.I.P. initiative, are continuing successfully with provincial and community support.

In the three first years of the Local Initiatives Program, some 44,000 applications were received, of which approximately 15,000 were approved. Many innovative services and much needed facilities

were created. Even those applications which were not approved were valuable in that they articulated demands and needs for various kinds of services in the community. This articulation is refreshing in an era of apparent alienation and apathy.

Furthermore, about half the projects surveyed in a study were found to provide products and services for which no alternative existed in the communities involved. In the 50 per cent of cases where L.I.P. provided a supplementary product or service for which alternatives did exist, there were strong indications that the communities' needs were often greater than the available services -- L.I.P. was a welcome addition. In fact, between 70 and 90 per cent of the projects were doing work that would not have been done without L.I.P. These findings are consistent with John Kenneth Galbraith's contention that in our present socio-economic system, private goods and services are well supplied even to the point of being over supplied, while there is always a shortage of government and non-profit institution-supplied goods and services. The tiny Nova Scotia community of Inverness, which has received an infusion of L.I.P. funds, makes Mr. Galbraith's point. (The Inverness experience is outlined in Appendix II.)

Perhaps the strongest indication of community support of L.I.P. was the finding that 62 per cent of the projects were part of the activities of a larger organization, and that 38 per cent were receiving additional funds from other sources. Such support provides a tangible expression of the willingness of communities to become involved in L.I.P. projects.

Finally, on the subject of "worthwhile" employment and employee job satisfaction, one again finds that L.I.P. reached a high plateau of success. Many employees became highly involved and were willing to work long hours to ensure the success of their projects.

This same study also confirmed a high degree of job satisfaction among the employees. In interviews with more than 1,400 workers on the 150 representative projects, researchers found that 87 per cent of employees were satisfied with the feeling of accomplishment given them by their L.I.P. experience.

About the same proportion felt the L.I.P. afforded satisfactory opportunities to use their own abilities to best advantage. On the negative side, more than one-third were dissatisfied with the wages and half were dissatisfied with the job security element. Given the structure of L.I.P. these problems could not be avoided.

Community Betterment

A study of the "worth" of L.I.P. projects indicates strongly that the goods and services produced by them were definitely valued by the receiving communities and that as a consequence, L.I.P. workers found their participation rewarding and generally "worthwhile."

According to community Leaders, L.I.P. participants and users of L.I.P. products and services, 86 per cent of a sample of 150 projects in 30 communities were definitely needed. The need for the remaining 14 per cent was doubtful. Given that most projects were meeting perceived needs, L.I.P. tended to have wide acceptance in the community. Nearly 70 per cent of the projects were judged to enjoy a favourable attitude among people in their communities.

L.I.P. projects are in many ways like small businesses. And, as in any new business, some wastage of funds is to be expected due to inexperience and errors of judgement. In the eyes of community leaders interviewed, only six per cent of L.I.P. funds were "wasted" in the context of providing no tangible benefit.

Balancing "what the community gets" against project costs, about 38 per cent of L.I.P. projects were considered by the community to have yielded a definite bargain for the funds expended. An additional 36 per cent were considered to be just worth the cost, while the remaining 26 per cent were classed as too expensive in relation to their benefits.

Impact on Seasonal Unemployment

One can present a powerful case to support the view that reducing seasonal unemployment is a high-priority objective and that despite the amount of money being spent on unemployment-oriented activities, a program aimed at reducing seasonal imbalances is a necessary part of policy.

In two separate studies on regional unemployment disparities, one by Wayne Thirsk for the Prices and Incomes Commission, and an independent study by Arthur Donner and Fred Lazar, it was found that seasonal unemployment comprised the main component of "hardcore" unemployment in the five principal economic regions of Canada--the Maritime provinces, Quebec, Ontario, the Prairies and British Columbia.

Moreover, when the national economy is operating at full capacity, seasonal unemployment variations are the main contributors to the remaining regional unemployment disparities.

Hence, efforts to reduce the degree of "hardcore" unemployment, the type of unemployment considered by many to produce the most destructive social and economic effects, and to narrow regional unemployment rate disparities will prove largely futile if they are not concentrated on seasonal unemployment.

The links between seasonal unemployment, regional disparities and hardcore unemployment emphasize the wisdom of tying the allocation of L.I.P. funds to the regional differences in unemployment and to the incidence of unemployment among Indians. These distribution criteria strengthen L.I.P. as a tool for reducing both regional unemployment disparities and hardcore unemployment.

In addition, there are several other beneficial spin-offs from a program tackling seasonal unemployment.

(1) Seasonal unemployment tends to be a prime contributor to poverty. A large majority of the working poor suffer from both seasonal unemployment and low wages with seasonal unemployment exacerbating the effect of low wages. For example, working a full week (40 hours) for a full year (50 weeks) at a wage of \$2.00 per hour yields an annual income of \$4,000 -- an amount well below the Croll Committee poverty line for a family of four. If seasonal unemployment is also incurred, annual earnings may drop by \$1,000 or more. Thus, reducing seasonal unemployment will also contribute towards reducing the incidence of poverty.

(2) It is generally accepted by economists that the inflation-unemployment tradeoff can be improved if the levels of hardcore unemployment are reduced. Consequently, reducing seasonal unemployment will go a long way towards decreasing hardcore

unemployment and will enable the government to both achieve a lower level of inflation for any given rate of unemployment.

(3) Lower levels of unemployment reduce the gap between potential production of goods and services and actual production. Therefore, lowering the level of seasonal unemployment will generate a larger quantity of goods and services to meet the demands of Canadians.

In 1972-73, the last year for which data are most complete, the federal government committed about \$201 million for L.I.P. generating 325,000 man-months of employment.

No simple statistical tabulation could adequately describe the great variety and ingenuity of suggestions that came forward when citizens were given the opportunity to propose, and actually implement solutions to the vexing problem of unemployment, while at the same time performing a useful community service.

With a variety of projects to choose from, both as to type of activity and geographical location, the task of matching the employment generated by L.I.P. to the characteristics and skills of available local workers was greatly simplified - an advantage potential alternatives would be hard pressed to overcome.

Indeed, what is unique about L.I.P. is undoubtedly the very marked departure from traditional public works approaches to the absorption of surplus labour which could not have been as effectively brought about except by inviting participation from those most directly affected by unemployment.

L.I.P. was able to create one man-year of employment for every \$7,500 spent in 1972-73. This compares favourably with an

overall average cost of \$13,600 for every man-year of employment produced by the Gross National Expenditure. The discrepancy lies in the fact that the national average takes into account capital expenditures - equipment which the worker operates - of the employer.

There are two reasons for L.I.P.'s relatively better performance in generating jobs per dollar expended. L.I.P. projects tended to be labour intensive and obviously more labour intensive than the average job in the economy. Secondly, the average salary on a L.I.P. job was about 10 to 20 per cent below the national average for a full-time job.

To fully assess the employment impact of L.I.P. it is necessary to determine the labour force status of program participants.

As the table in figure 9 demonstrates, L.I.P. attracted an overwhelming proportion of workers from the ranks of the unemployed - 60.6 per cent directly and an additional 11.2 per cent indirectly (employed, expecting layoff) for a total of 71.8 per cent.

LABOUR FORCE STATUS OF LIP WORKERS IMMEDIATELY PRIOR TO LIP (1972-1973)

	<u>MALE</u>	<u>FEMALE</u>	<u>TOTAL</u>
EMPLOYED-STEADY, FULL-TIME	7.2	6.3	6.9
EMPLOYED-STEADY, PART-TIME	1.7	4.2	2.5
EMPLOYED FULL TIME, EXPECTING LAY OFF	9.8	6.6	8.9
EMPLOYED PART TIME, EXPECTING LAY OFF	2.1	2.8	2.3
UNEMPLOYED	67.1	46.1	60.6
HOUSEKEEPING	0.7	22.4	7.3
RETIRED	1.1	0.5	0.9
AT SCHOOL	4.7	5.1	4.9
OTHER	5.6	6.0	5.7
TOTAL	100.0 %	100.0 %	100.0 %

FIGURE 9

If one adds to the 71.8 per cent total the 7.3 per cent of L.I.P. participants whose prior activity was housekeeping, then more than 79 per cent of program participants required employment. This overall figure clearly indicates that L.I.P. had a substantial impact on unemployment.

Although they are not recorded in official labour force statistics, "housekeepers" comprise what economists have labelled the "hidden" unemployed. This phenomenon is no less important than the officially recognized unemployed. Clearly the social and economic costs associated with hidden unemployment must be considered in the overall costs of unemployment.

In fact it is conceivable that women attracted to the labour force would have entered it regardless of the existence of L.I.P. if jobs had been available. When the male member of a family is unemployed or if his income is insufficient to meet family needs, the wife could be "forced" into seeking employment. She may not have been recorded in the official labour force statistics if there simply were no jobs available to her.

The data, then, tend to support the position that many of the "housekeepers" attracted into the labour force required employment and so were among the hidden unemployed. (This, in turn, supports the position that they should be included with the unemployed.) For example, just over 73 per cent of all the female participants in L.I.P. projects depended on unemployment insurance, welfare or family support as their main source of income. Moreover, 17.7 per cent of the female participants were members of families where the male member was the prime income earner and total family income fell below the poverty

line. From these and other data, one can see that income deficiency must have been an important factor stimulating female involvement in L.I.P.

Low income was a decisive factor in the involvement of many males in L.I.P. activities. Approximately 67 per cent of males employed in L.I.P. projects had relied on unemployment insurance benefits, welfare or family support for their main source of income. Another startling statistic is that 43 per cent of male participants came from families where the family income fell below the poverty line. Thus, L.I.P. not only attracted workers primarily from among the unemployed but also from among those most in need of employment and earnings.

Although tackling poverty was not listed as a prime L.I.P. objective, the program proved to be highly successful in dealing with poverty. Dependency both upon family members and upon welfare funds dropped sharply after the program in comparison with the pre-program levels. Moreover, unemployment insurance benefits became less important among males after L.I.P. In summary, then, twice as many males and one and one-half as many females depended on earnings and savings after L.I.P. than had done so prior to the program.

Financial Impact

The net cost to the federal government for operating L.I.P. was less than the gross expenditures of \$200 million in 1972-73.

The provision of L.I.P. employment to unemployment insurance and welfare recipients resulted in savings through reduced unemployment insurance payments, increased unemployment insurance premiums, and lower welfare expenditures. Additionally, L.I.P. generated higher

personal incomes on which program workers paid income tax thus bolstering national revenue. It is extremely difficult to calculate the savings. Estimates of the savings range between 7% and 40% depending on assumptions made.

As with any government or private sector expenditure there are spin-off or secondary spending and employment effects. The money earned and spent by L.I.P. participants creates additional demands for goods and services and the multiplier principle follows. The increased demand is translated into additional production, employment and eventually income. The income generated induces, in turn, more production, employment and income.

In a macro-economic study of the impact of L.I.P. it was found that program expenditures of \$490 million between 1972 and 1974 resulted in an increase of \$723 million in Gross National Product.

In fact, the lagged or downstream effects of L.I.P. are predicted to increase GNP by an additional \$140 million during the period from 1975 to 1978. Obviously L.I.P. has had and will continue to have a substantial secondary impact on the level of national production of goods and services.

A recent study estimated that L.I.P. generated an additional 4,000, 8,000 and 3,000 man-years of employment in 1972, 1973 and 1974 respectively.

Limitations and Criticisms

It could be said that L.I.P. provides solutions to general unemployment rather than seasonal unemployment and, secondly that it competed unfairly with industry for workers.

Regarding the first point, thirty per cent of all L.I.P. workers who had been unemployed prior to L.I.P. had been without employment for a minimum of 21 weeks. Five per cent had suffered a period of unemployment longer than 50 weeks. Evidently L.I.P. provided employment for a substantial number of people who had been unemployed for an extended period of time. The fact that L.I.P. attracted long-duration unemployed into the program should not be construed as a shortcoming. On the contrary, this should be regarded as a major accomplishment for L.I.P.

People have argued that the program competed unfairly with industry for workers, and the process caused a significant increase in wage rates for the affected industries. However, a study based on the expression of attitudes by the employees and employers sampled concluded that L.I.P. did not compete unfairly with employers. Environmental factors attracted some workers to L.I.P. projects, but in terms of pay, job security and work conditions, L.I.P. projects were not competitive.

SUMMARY

The Local Initiatives Program has created approximately 238,200 jobs in the four years since it began, and reduced regional disparities thus reducing poverty; it has involved hundreds of thousands of Canadians in the welfare of their communities, and assisted groups in articulating personal and community service to other levels of government and agencies.

In certain depressed areas, such as those suffering long-term effects of declining industries or those resigned to general winter unemployment, L.I.P. has been credited with stimulating a new sense of optimism, and with it awareness of the need for planning at the local level.

IV LOCAL EMPLOYMENT ASSISTANCE PROGRAM

Initiated by the department in the autumn of 1972 as another step towards finding solutions to the problem of growing numbers of chronically unemployed Canadians, L.E.A.P. is a low-profile program which unlike OFY and L.I.P., does not solicit proposals from the public.

The Local Employment Assistance Program funds projects that will contribute to the on-going self-sufficiency of project participants by providing resources such as occupational training, life and communications skills, counselling and placement. Where jobs do not exist or are inappropriate, a L.E.A.P. project may develop a small business enterprise, designed to create on-going positions for its participants.

A vital element in L.E.A.P. activities is the encouraging of participatory management, where appropriate, by project managers. The acceptance of responsibility for developing and managing a project helps reduce employment barriers for many participants. In addition to the skills learned on a L.E.A.P. project, participants occasionally acquire additional skills through specific training programs such as Canada Manpower Industrial Training Program.

OBJECTIVES

The Local Employment Assistance Program provides support to projects that create employment opportunities for people who would likely remain unemployed despite normal labour market activity. While remaining consistent with the overall objectives of the department, the Local Employment Assistance Program focuses on two major objectives:

1. To develop new approaches to long-term job creation for target groups defined specifically as those persons who are unable to maintain regular and adequate employment and earnings because:
 - (1) they lack marketable job skills, or
 - (2) they reside in a geographic location that is divorced from the mainstream of Canadian economic development, or
 - (3) they are subject to racial or cultural prejudices particularly as they apply to people of native origin, or
 - (4) they have social, mental or physical disabilities such as chronic dependency, a criminal record, alcoholism, retardation or physical disabilities which create barriers to employment.
2. To create employment opportunities that will contribute to the on-going self-sufficiency of predetermined target groups and/or communities.

DESCRIPTION

L.E.A.P. officers are located in Job Creation offices in every province. Through consultations with others who are concerned with the disadvantaged (such as other federal, provincial and municipal departments and social agencies), L.E.A.P. officers identify groups of people and communities likely to benefit from the program. The target groups are essentially those people who have the potential to become self-sufficient.

Once target groups have been identified, and as project proposals are developed, the officers identify financial and non-financial resources for projects. However, they encourage the project managers to actually mobilize those resources. Sponsors may

be voluntary non-profit groups, citizen's organizations, community corporations, cooperatives, individuals, or municipalities.

Projects can be funded to a maximum of 3 years, at a maximum annual contract of \$200,000.

Selected projects may be supported for a research or developmental phase up to a maximum of six months, before the three year period begins.

Wages paid are determined by local rates for similar occupations. Federal contract funds are normally used for wages, employer contributions for employee benefits, and reasonable administrative overhead costs. In certain projects, special costs such as expert supervision, evaluation, training or counselling may be approved by the department if they are necessary to the achievement of project objectives, provided they do not exceed 20 per cent of the basic budget.

Because there are no proposal submission deadlines, the projects fit into a long-term framework in the general community development process. Thus groups are not forced to present their project proposals prematurely. Project officers frequently visit projects as they develop, an opportunity made possible by the low ratio of projects to field personnel - approximately 8 to 1.

Four basic operational strengths have contributed to the early success of L.E.A.P.: the six-month developmental phase; the long-term funding which continues up to a three-year period; the many services of the Department of Manpower and Immigration available to projects (for example, the Life Skills Program, Vocational Training, and the Canada Manpower Centres); and the flexibility of job creation

field staff in dealing with projects, keeping to minimum governmental administrative requirements, that might obstruct the progress of a project.

One example of a L.E.A.P. project is Groupe Arts-Concept Inc. in Montreal which employs 25 people with an annual federal contribution of \$197,000. On this project, women parolees are learning the skill of hand-crafting copper-enameled jewelry and goblets. The project's potential for economic viability is good, and the women themselves are participating in managing this co-operative enterprise.

In December, the women were given special parole leave to sell their products at a Christmas exposition in Montreal. The sales and enthusiastic reaction to their crafts made the experience a successful one.

PROGRESS

For the fiscal year 1974-75, commitments total \$12 million which provides 1,746 jobs in 126 projects.

Since the beginning of the program, 142 projects have begun, employing in total about 2,700 persons. Some 1,275 of these persons have left L.E.A.P., and 1,425 remain with their projects.

The experience of L.E.A.P. underlines the range of techniques available to effectively deliver programs in varying socio-economic and psychological climates. L.E.A.P. breaks from tradition and offers, through multiple mechanisms, opportunities for those persons who can't be served through traditional approaches.

Considering the universe of the program's participants, their socio-economic backgrounds and their fears, the fact that about

half of them left projects either to continue schooling or take a job in the labour market seems remarkable.

Thirty-eight per cent of the 1,337 participants left because they found jobs; another 8.4 per cent decided to pursue their education or seek training.

Some 13 per cent were dismissed by project sponsors who did not see these people as being compatible with the particular activities in which they were involved.

Household responsibilities and illness each caused about four per cent of participants to leave. More than 20 per cent left for other reasons for example, incarceration or relocation. The remainder - 10.4 per cent - did not give reasons.

The 46.4 percent who left the program to enter the world of work or to improve their education represent in our view a convincing argument for L.E.A.P.'s "raison d'être."

STRENGTHS

Early indications are that the department has been successful in directing L.E.A.P. to specific target groups. Thirty-two projects, comprising 38.8 per cent of the program, have been initiated in response to the needs of rural and urban poor and welfare recipients.

The rest of the breakdown by target group (see Figure 10) is as follows: Handicapped persons - 15 projects or 17.6 percent of the

program; native people - 14 projects or 15.3 per cent; inmates/ex-mates - nine projects or 10.6 per cent; youth - eight projects or 9.4 per cent; women/social problems/ethnic groups - seven projects or 8.3 per cent.

DISTRIBUTION OF LEAP PROJECTS BY TARGET GROUP 1974

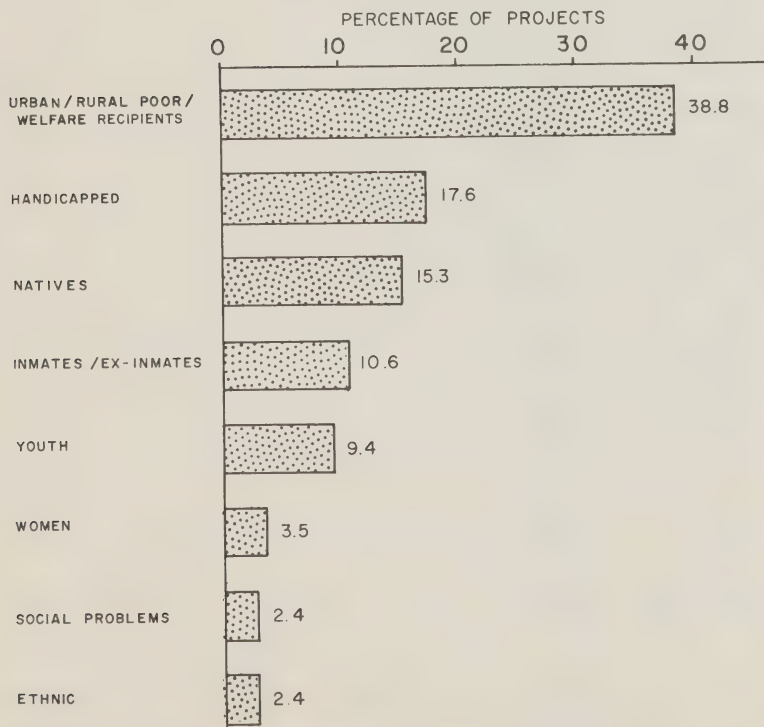


FIGURE 10

Projects involved in "production and trade," "renovation and repair," and "cultural/arts and crafts" activities make up more than half of all L.E.A.P. projects (see Figure 11). Most L.E.A.P. projects are located in urban areas, and one-third are in a rural setting.

DISTRIBUTION OF LEAP PROJECTS BY ACTIVITY 1974

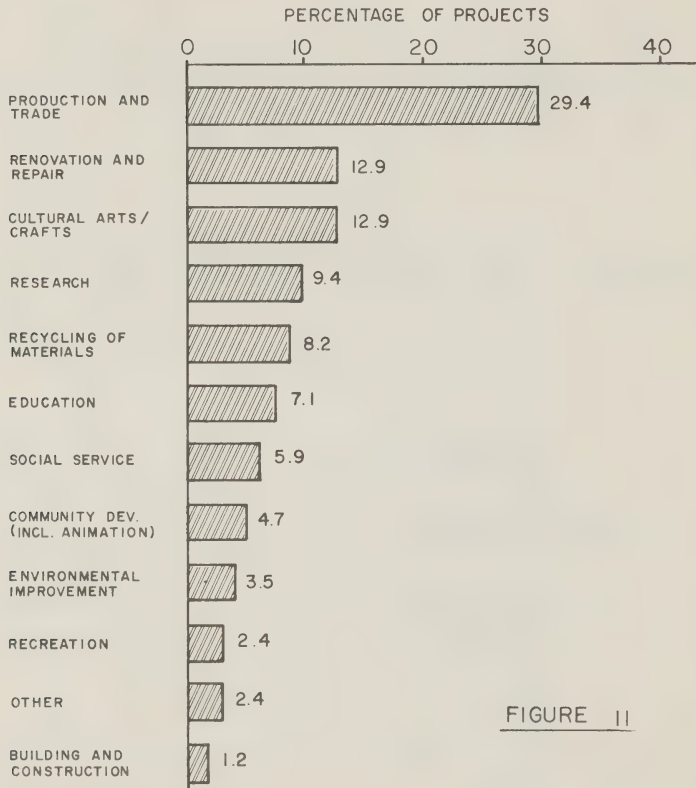


FIGURE 11

Community agencies or voluntary organizations are the leading sponsor group, but individuals, co-operatives and native groups sponsor a significant proportion of projects.

POTENTIAL

Are all "unemployables" really unemployable?

Under one L.E.A.P. project, a mentally retarded group, considered "unemployables," received training as painters. These people demonstrated skills that indicated they can be productively employed and, even more important, self-supporting.

This experience illustrates that in the implementation of innovative rehabilitation techniques, the restrictions imposed by job requirements and the attitudes of employers and training institutions are exposed.

Some job requirements, set by unions, professional associations, licensing bodies or employers, explain why some people who wish to work and are able to work find themselves unemployed and dependent upon social welfare payments.

Although it is too early to judge the results in benefit/cost terms, L.E.A.P. has the potential of being a less expensive alternative to social assistance and incarceration. The way the Local Employment Assistance Program achieves this social and economic saving for society is by offering participants an opportunity to develop themselves into productive, self-sufficient citizens.

SUMMARY

Experience to date suggests that L.E.A.P. is supporting three types of activities. The first and most obvious, is the development over the three-year budget period of small entrepreneurial activities that have the potential for becoming self-sustaining. The second type is one wherein the project provides a work experience and a degree of

training which allows those for whom normal training experiences are not adequate to gain skills and attitudes necessary to enter and successfully compete in the existing labour market. The third type involves the need for a continuing level of support to variety of forms of "protected environment" employment. Some people in this third type of activity will be able to contribute to their own support but only to a limited extent and will therefore need a form of continued support.

V FUTURE CHALLENGES: WHERE DO WE GO FROM HERE?

In the future, communities under stressful economic conditions will require viable forms of productive social and economic activity based on real, immediate needs. With respect to those future economic needs, and indeed present economic needs of some communities, the experience of job creation programs has demonstrated the applicability of a method and style of job creation that is particularly indigenous and suitable to the Canadian environment.

Because of the structure of the Canadian economy and the nature of our geography, unemployment has traditionally been characterized by significant seasonal fluctuations as well as continuing pockets of structural or long-term unemployment.

A comparison of the breakdown of unemployment in the mid-60s and early 70s indicates that the proportion of seasonal unemployment is declining and the proportion of structural or continuing unemployment has increased. This means that a L.I.P.-style "stop-start" program, while remaining effective for seasonal peaks, cannot be, and was never meant to be, a solution to the problem of continuing unemployment. L.I.P. will continue to be an effective tool to be triggered by seasonal peaks for relatively short durations to deal with the traditional problem of winter unemployment in Canada. However, it cannot deal with the long-term unemployed or unemployable or the problem of geographically isolated and depressed areas which need among other things some sort of community-based entrepreneurial activities.

In its demonstration phase, L.E.A.P. has shown that people who have previously been labeled as unemployable or severely disadvantaged, can be trained and integrated into the labour force under the

proper conditions of work environment and psychological support. Very often it is not a problem of lack of specific abilities for these people, but more one of lack of human life skills and motivation which requires a longer term sympathetic work environment to ameliorate a poor self-image.

There are also a great number of people who have no individual disability or disadvantage other than the fact that they live in an area that is remote and removed from the economic mainstream.

Typically there is no lack of motivation to work if opportunities existed for people in these communities. Certain urban and rural communities need support in terms of small-scale, low-technology, small business or economic development. These are the communities where skills are available, usually associated with an indigenous trade or craft such as oyster farming, quilt-making or print-making etc.; but without local organization and commercial expertise to bring in the resources and exploit markets, local economic development languishes.

The development of the northern Eskimo communities around Eskimo prints and sculptures is a classic example of how small, isolated communities can, with some organization and marketing expertise, establish an economic base of their own.

The challenge for job creation is to go beyond the L.I.P. experience and begin to deal with the long-term structural problem of unemployment in the economically depressed areas of the country in concert with the more "macro" approaches of other departments.

The principles of such a model of community entrepreneurial or economic development, ought to remain focused on the individual and the community in which he lives, in the sense that there must be some sort of community participation in the definition of the activity and the needs of the community, and there must be joint or collective access to ownership and management.

The United States experience with Community Development Corporations under the legislation for the Office for Economic Opportunity has gone a long way in demonstrating the feasibility of this approach.

In fact many existing L.E.A.P. projects and entrepreneurial L.I.P. models are community development associations in different guises. Among these projects are several outstanding examples of how a community can revive itself and establish an economic base by coming together around a relatively small-scale, low-technology business enterprise related to its indigenous skills and based on a collective organization.

Capital has always been a problem for such enterprises. But in co-operation with federal and provincial development bodies, enough capital can usually be secured to initiate a start-up and allow revenue to accumulate as working capital.

Because the people in communities involved in this challenge have not traditionally had access to normal commercial money markets, and do not have the established commercial skills required, it will be necessary to allow enough time for development of these skills by importing outside resources and expertise so that at the end of two or three years, the communities will have built up a sufficient resource base to carry on themselves.

The future challenges of job creation in Canada will depend upon changing economic conditions. What is more certain, however, is that specific social, structural and seasonal problems in different communities will require a varied and multiple approach. A great emphasis must be placed on the need for long-term employment prospects based on local economic development.

APPENDIX I

JOB CREATION 1973/74 and 1974/75

FUNDS COMMITTED AND JOBS CREATED

<u>PROGRAM</u>		<u>FUNDS COMMITTED</u>	<u>NO. OF PROJECTS</u>	<u>NO. OF JOBS</u>
OFY	1974	\$26,335,000	3,846	27,525
	1975	24,695,000	unknown	unknown
L.I.P.	1973/74	69,353,000	3,425	30,643
	1974/75	84,356,000	4,202	30,353
L.E.A.P.	1973/74	5,450,438	106	1,534
	1974/75	12,000,000	126	1,746

APPENDIX II

LIP Impact: Inverness, Nova Scotia

In 1971 the future of the community of Inverness, Nova Scotia, was bleak. Coal production, the major resource base, had virtually ceased, leaving the general economic condition extremely depressed. According to local experts, the employment level during the winter was 35 to 40 per cent.

In one generation the population had declined from 2,975 in 1941 to 1,846 in 1971. Five years ago, when the town went bankrupt and lost its incorporated status, it came under the administration of the county government.

Formal development planning for Inverness is done by the County Council; a new water and sewer system has been constructed, and there are plans for street paving.

Asked about community problems and prospects, the people of Inverness overwhelmingly saw industrial development as their prime need. They have demonstrated, however, that they can plan and carry out projects for themselves.

Over the period from January 1972 to May 1974, a total of 17 Local Initiatives Program projects were undertaken.

Eleven projects were for construction or repair of physical facilities. One dealt with environmental clean-up, and five provided social services.

The total expenditure for the seventeen projects was \$854,000. Of this amount, the federal contribution was \$565,000 - \$1,200 to \$1,400 per household in Inverness. Given that family incomes in Inverness average about \$5,500 per year, it is clear that the federal funds had a considerable financial impact.

The sponsors themselves contributed \$289,000 to the L.I.P. projects over the three years, about a third of the total project expenditures. During the first year of the program when the sponsors were perhaps hesitant to use their own financial resources for the projects, they contributed one of every eight dollars spent for L.I.P.; but in 1972-73 local sponsors accounted for almost half, and in 1973-74 fully one-half, of L.I.P. expenditures. Hence, in those two years each federal dollar spent for L.I.P. in Inverness resulted in two dollars worth of facilities, services and man-weeks of employment.

L.I.P. jobs over the three years created about 5,000 man-weeks of employment. Three thousand of those man-weeks were in construction jobs. Since the greatest percentage of registrants in the CMC serving Inverness are classified in the construction category, there was apparently a fairly good match between CMC registrants and the occupational skills required by projects. Similarly, the bulk of the unemployment in the area involves the unskilled or semi-skilled, and more than half the construction employment was in the unskilled category. Clearly, the L.I.P. construction projects were designed to employ the people who were in search of work.

On the other hand, the social-service projects illustrate the potential conflict between the "employment creation" and "community betterment" goals of L.I.P., in that the appropriate manpower to fill these jobs was not really available in the community.

Virtually all L.I.P. employees came from the ranks of the unemployed. No one left a job to become a L.I.P. employee. Persons did not quit school, nor leave retirement status, to take their L.I.P. jobs. A few women were homemakers.

The L.I.P. employees appreciated the program because they were glad to be working, especially at a job in their home community. The long-term residents of Inverness, together with the employers, likewise indicated strongly positive feelings about the job creation program. Wage rates for the L.I.P. projects were roughly comparable to the community's prevailing wage rates.

While most of the L.I.P. participants indicated satisfaction with their jobs, and the acquirement of new skills, the overwhelming majority indicated that their L.I.P. employment had little or no influence on their subsequent job patterns since there were no job vacancies in the community. It may be that some former participants, who moved from Inverness, found better jobs in their new communities because of the L.I.P. training, but there are no data available. Perhaps L.I.P., by providing temporary employment where otherwise there would have been none, played a part in discouraging some migration from the community. In any case, about 75 per cent of the respondents indicated their unwillingness to move from Inverness, even though they were aware of the lack of long-term employment prospects.

Because there are no alternative jobs for willing job-seekers, before or after L.I.P., it is difficult to evaluate movements onto and off unemployment insurance and welfare rolls. There are two findings in this regard which seem to conflict: there was an increase in UI claims for past participants after their L.I.P. employment period; and there is little evidence in Inverness that L.I.P. employment attracted people to labour force status.

The persons employed on L.I.P. projects were not the only ones to benefit. Due to the size and conditions of Inverness, most of the community took advantage of facilities and services generated through L.I.P.; indeed, a sample of households indicated that in four-fifths of the families at least one person benefited from a L.I.P. project. Facilities were built where none existed; homes were repaired; renovation made existing buildings usable for community events; new services were provided where previously none had existed. Participants had more money; and because they lived and worked in the same community, they spent their money there.

Four of the seven facility projects were well known and well used by the recipients - the two parish facilities that were renovated, the sports centre, and the fire hall. In general, the service projects were not as well known or used.

A major criticism of L.I.P. is that the jobs were not of a permanent nature. Others commented that some projects were of questionable benefits, or that some were poorly managed. Reflecting the conflict between the need for government support and the desire to be independent, there were comments to the effect that L.I.P. was just another form of government handout. However, virtually all Inverness residents believed that L.I.P. had benefited them in many ways.

In the opinion of some knowledgeable residents, L.I.P. had an impact in stimulating people to think more about community planning rather than expecting it to happen at the county level. Others credited L.I.P. with creating an air of optimism about the future.

